

World Table Grape Situation and Outlook

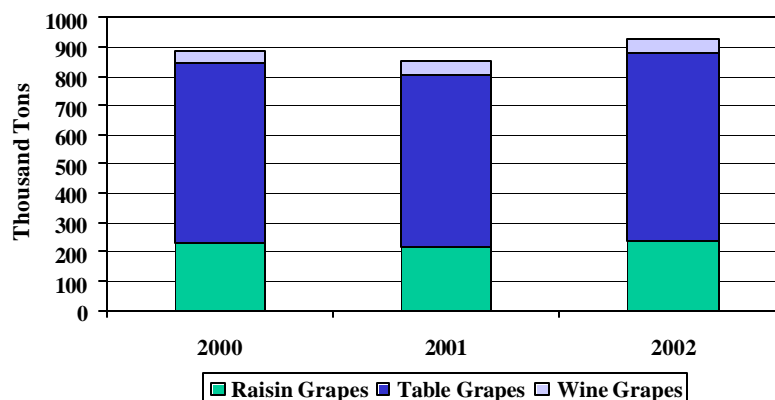
U.S. total fresh-market grape production in 2003 is expected to decline 5 percent to 810,000 metric tons, down from the large levels seen in 2002. Total California fresh market grape production was about 680,000 tons during 2002, or 12 percent of all grape types. The value of this production was \$448 million. Table grape production during the 2003 season for selected Northern Hemisphere table grape producing countries is expected to increase just over 1 percent while select Southern Hemisphere countries are expected to up 2 percent.

United States

The California crop, which accounts for 91 percent of the U.S. grape production, was up 9 percent from the previous year. California wine-type production also increased 2 percent from 2001, while raisin-type production rose 20 percent, and table-type production increased 5 percent. These increases are attributed to additional acreage planted to grapes and excellent growing conditions.

California Fresh-Market Grape Utilization

(Short Tons)



Source: National Agricultural Statistics Service, USDA
Noncitrus Fruits and Nuts 2002 Preliminary Summary – January 2003
Noncitrus Fruits and Nuts Final will be published July 8, 2003

California grape growers received prices in 2002 for raisin, table, white and red wine grapes that were, on average, less than the 2001 prices. The 2002 average price of all varieties per short ton was \$460.27, down 17 percent from 2001. Average prices per short ton for the 2002 crop by type were as follows: red wine grapes, \$612.83, down 10 percent from 2001; white wine grapes, \$428.18, down 13 percent from 2001; raisin grapes, \$75.51, down 12 percent; and table grapes, \$80.49, down 8 percent. These price levels have not been adjusted for inflation. To download the full report go to <http://www.nass.usda.gov/ca/bul/crush/indexgcb.htm>.

On January 24, 2003, NASS released the *Non-citrus Fruits and Nuts Preliminary Summary*. According to the report, total utilized grape production for 2002 totaled 7.14 million short tons (6.48 metric tons), up nearly 8 percent from the 2001 crop. The value of utilized production was \$2.9 billion, down more than \$16 million from 2001. Utilized production increased from the previous year in seven of the

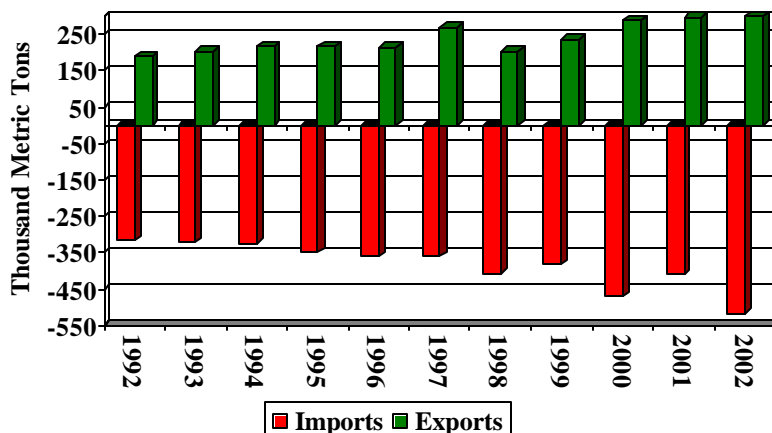
March 2003

World Horticultural Trade & U.S. Export Opportunities

fifteen reported states. These states include Arkansas, Michigan, Missouri, New York, North Carolina, Virginia, and Washington.

U.S. table grape export quantities during 2002 increased 3 percent from a year earlier. Our North American partners, Canada and Mexico, showed the most growth, 11 and 32 percent, respectively. Imports during 2002 increased 27 percent over the lower levels of 2001. Counter-seasonal shipments from Chile and Mexico supplied 97 percent of total imports last year.

US Trade Balance in Fresh Table Grapes



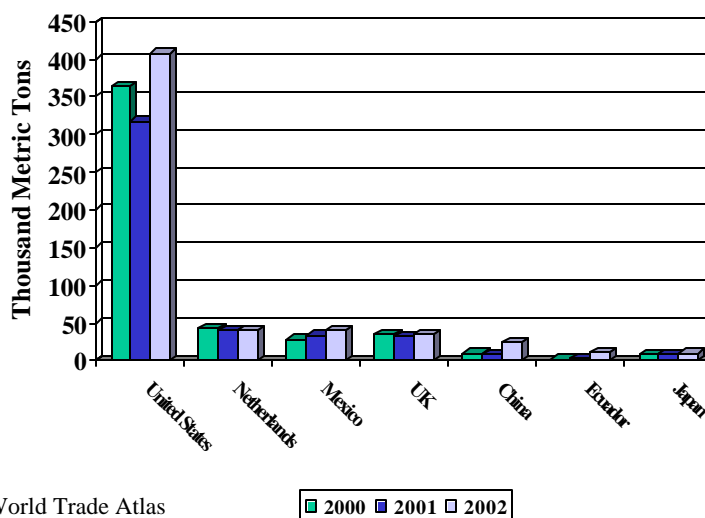
Source: U.S. Department of Commerce, Bureau of the Census

The Market Access Program (MAP) is an important market development tool used to stimulate demand and fuel table grape exports. During marketing year (MY) 2002, the USDA/FAS and the California Table Grape Commission will share the cost of undertaking promotional activities in Asia, Latin America, and the United Kingdom.

Chile

Table grape production during 2002 was slightly higher than expected due to favorable weather. Chile produced 1 million tons of grapes during 2002 and production in 2003 is expected to be about the same with only small increases in planted area. Chile is not expected to import more grapes than they do now; approximately 12 tons during the winter of 2002, due to the devaluation of the peso and a general economic slow down. However, exports are expected to expand under these conditions. Currently, 68 percent of all exports are destined for the U.S. market.

Chile – Table Grape Exports



Source: World Trade Atlas

March 2003

World Horticultural Trade & U.S. Export Opportunities

The recent Free Trade Agreement with the EU will provide Chile with a duty-free quota of 37,000 tons of grapes beginning in January 2003. For more information see GAIN #E22128. Chile produces over 36 varieties of table grapes for export. Thompson Seedless, Flame Seedless and Ribier are the bulk of production. Production of the Red Globe variety has increased significantly in the last few years, as most replanting has been with this variety. Chile is the lead in export market share with 26 percent in 2001.

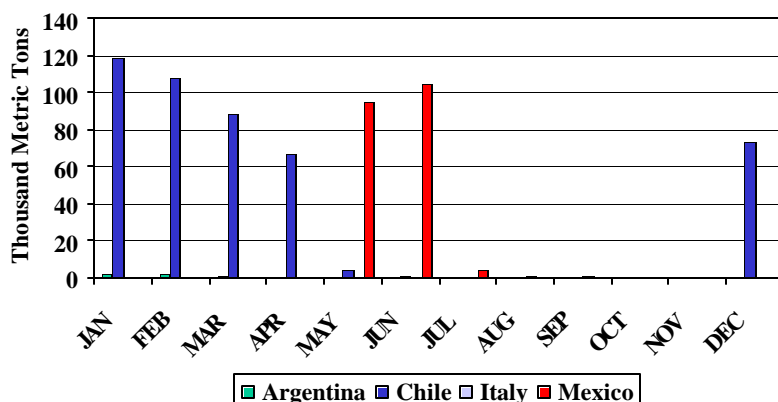
Mexico

Mexico's grape production this year is expected to be down 5 percent compared with 2002, which had

good weather conditions and an increase in planting area. A shift in planting area this year is expected to impact the production. All table grape areas are irrigated and the shortage of water continues to limit expansion. The United States is Mexico's primary market for grapes with shipping beginning in June and tapering off in early August. In recent years, Mexico has been looking to expand into new markets and growth has been seen in Venezuela, the United Kingdom, and even Hong

U.S. Grape Import Markets

(Monthly 2002)



Source: U.S. Department of Commerce, Bureau of the Census.

Kong.

Canada

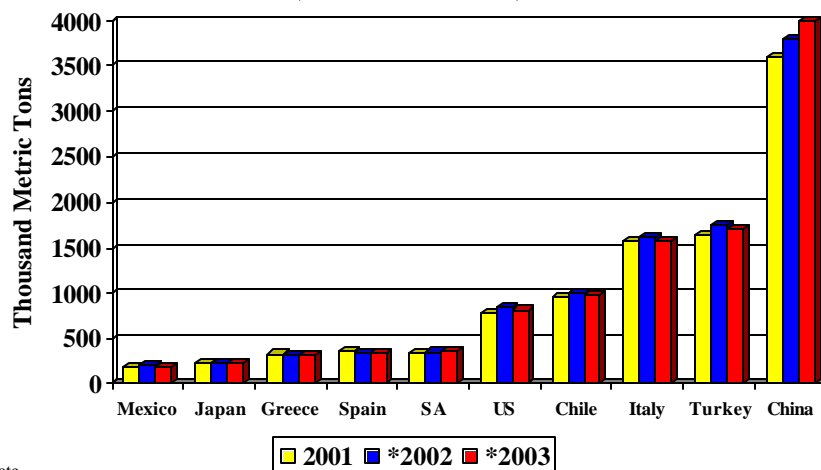
Canada's imports of table grapes from the United States increased 11 percent during 2002, supplying about 53 percent of Canada's total import market. Chile supplied about 31 percent and Mexico 8 percent. Remaining supplies were sourced from South Africa, Italy, Peru, and Argentina. Recent cold temperatures are raising the concerns of grape growers. Ontario's coldest winter in nearly a decade is causing concern among wine grape growers all across southern Ontario. The cold winter is threatening to kill grape buds and could reduce the amount of higher quality table wines produced in Ontario this year. Frigid temperatures have reportedly hurt the buds of sensitive vinifera varieties such as merlot and cabernet sauvignon. For the first time in many years, the entire surfaces of Lake Superior, Lake Huron and Lake

March 2003

World Horticultural Trade & U.S. Export Opportunities

Erie have frozen over, according to ice experts at Environment Canada. For more information see GAINs # 3014.

World Fresh Table Grape Production (Select Countries)



* Estimate

China

China's production in calendar year (CY) 2002 is expected to be 3.8 million tons, up about 6 percent from the previous year's lowered estimate. Production this year could reach 4 million tons. The five largest grape producing provinces are Xinjiang, Hebei, Shandong, Liaoning, and Henan. As distribution and cold storage improves, it is expected that more domestic green seedless grapes will be

available for domestic consumption. Table and wine grapes are more frequently being grown inside Chinese-style greenhouses throughout much of central and eastern China. This successful innovation is likely to change the grape industry in China as the greenhouses reduce pests, mitigate weather damage, and result in an earlier harvest and delivery to retail stores ahead of normal production schedules. Imports of grapes from the United States have been decreasing the last few years. In 2002, imports declined from 22 thousand tons to 19 thousand tons. Imports from Chile increased from 27 thousand tons to 35 thousand. China's exports to Russia jumped from 425 tons to over 2 thousand tons. China is also shipping grapes to countries such as Vietnam, Pakistan, Malaysia, Hong Kong, Indonesia, and Singapore. However, China continues to be very much a net importer of table grapes. The next FAS Fresh Deciduous Fruit Report is expected in September 2003.

Greece

Greek production of table grapes during 2002 year posted a 6-percent decline, as heavy rainstorms affected the quantity and quality. Exports declined as a result of the lower production with less going to their top markets such as the United Kingdom, Germany, and the Netherlands. Production levels this year are expected to be up slightly, however, a large percentage of illegal vineyard acreage is not yet recorded by local authorities. There is a land registry program under way, funded by the EU and the national budget office, targeting the legalization of such land resources. Grapes imported into Greece are minimal and occur either

March 2003

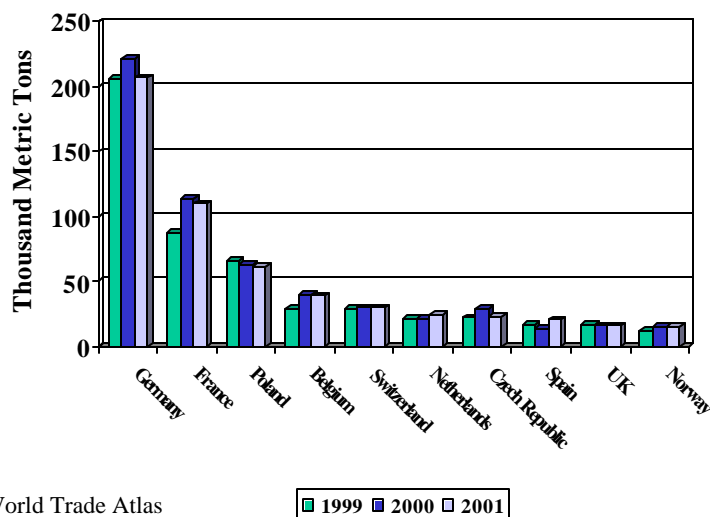
World Horticultural Trade & U.S. Export Opportunities

during the off-season or to fill demand of grape varieties not typically grown in country. Most imported product comes from Argentina and Chile. For detailed information on EU subsidies for the grape industry in Greece please refer to GAIN Report [#GR2016](#).

Italy

During 2002, Italy's table grape output was about 1.58 million tons, down from the previous year due to a drought that affected both quantity and quality. During 2003, Italy is expected to produce about 1.6 million tons. Italy is a major net exporter of grapes and shipped approximately 668,000 tons during 2001, valued at approximately \$535 million. Italy is the top

Italy – Table Grape Exports



Source: World Trade Atlas

world exporter and holds about 30 percent of world export trade. Top destination countries include Germany, France, Poland, Belgium, and Switzerland. During the off-season, Italy imported about 12,000 tons from foreign sources. Chile supplies about one fourth of the import market, shipping about 3,000 tons during 2001.

Spain

Spain's table grape production posted another year of decline during 2002 due to unusually heavy rain last spring. Production is expected to show additional declines this coming year, down 3 percent. With this decline in domestic supplies, the Spanish are expected to increase the amount imported by about 13 percent to around 28,000 tons. Primary sources include Italy, Chile, South Africa, and France.

Spain's growing season runs concurrent with that of the United States and therefore is not a market for U.S. table grapes.

Turkey

Turkey's grape acreage has been decreasing in recent years, although table grape production saw a slight increase during 2002 due to very favorable weather conditions. Next year's production is expected to

show at least a 3-percent decline. About 45 percent of total Turkish grape production is consumed as fresh market table grapes. Turkey exported about 80,000 tons of fresh grapes onto the world market during 2002. Key export destinations are Russia and Germany.

| Table Grapes | | | | | | | |
|------------------------------|------------|---------|--------------|----------------------------------|------------------------|----------------|------------------------------|
| PSD Official Statistics (MT) | | | | | | | |
| | Production | Imports | Total Supply | Domestic Fresh Consumption | Exports, Fresh Only | For Processing | Withdrawal From Market |
| Chile | | | | | | | |
| 2001 | 955,000 | 12 | 955,012 | 100,000 | 545,018 | 309,994 | 0 |
| 2002 | 1,002,000 | 12 | 1,002,012 | 99,000 | 625,000 | 278,012 | 0 |
| 2003 | 1,010,000 | 12 | 1,010,012 | 100,012 | 620,000 | 290,000 | 0 |
| China | | | | | | | |
| 2001 | 3,600,000 | 48,587 | 3,648,587 | 3,015,720 | 667 | 632,200 | 0 |
| 2002 | 3,800,000 | 55,000 | 3,855,000 | 3,054,340 | 660 | 800,000 | 0 |
| 2003 | 4,000,000 | 57,000 | 4,057,000 | 3,056,340 | 660 | 1,000,000 | 0 |
| Greece | | | | | | | |
| 2001 | 328,412 | 1,500 | 329,912 | 167,912 | 117,000 | 45,000 | 0 |
| 2002 | 310,000 | 7,957 | 317,957 | 162,957 | 115,000 | 40,000 | 0 |
| 2003 | 314,000 | 3,000 | 317,000 | 152,000 | 115,000 | 50,000 | 0 |
| Italy | | | | | | | |
| 2001 | 1,628,000 | 12,000 | 1,640,000 | 693,000 | 667,000 | 280,000 | 0 |
| 2002 | 1,580,000 | 12,000 | 1,592,000 | 672,000 | 650,000 | 270,000 | 0 |
| 2003 | 1,600,000 | 12,000 | 1,612,000 | 677,000 | 665,000 | 270,000 | 0 |
| Japan | | | | | | | |
| 2001 | 225,400 | 11,510 | 236,910 | 209,574 | 36 | 27,300 | 0 |
| 2002 | 235,200 | 13,000 | 248,200 | 219,670 | 30 | 28,500 | 0 |
| 2003 | 235,800 | 17,324 | 253,124 | 224,600 | 24 | 28,500 | 0 |
| Mexico | | | | | | | |
| 2001 | 188,175 | 75,060 | 263,235 | 165,496 | 97,739 | 0 | 0 |
| 2002 | 200,200 | 83,000 | 283,200 | 159,200 | 124,000 | 0 | 0 |
| 2003 | 189,800 | 87,000 | 276,800 | 166,800 | 110,000 | 0 | 0 |
| South Africa | | | | | | | |
| 2001 | 346,060 | 0 | 346,060 | 24,555 | 181,834 | 139,671 | 0 |
| 2002 | 350,000 | 0 | 350,000 | 25,000 | 185,000 | 140,000 | 0 |
| 2003 | 370,000 | 0 | 370,000 | 28,000 | 190,000 | 152,000 | 0 |
| Spain | | | | | | | |
| 2001 | 351,000 | 19,700 | 370,700 | 235,800 | 113,400 | 19,000 | 2,500 |
| 2002 | 342,400 | 24,800 | 367,200 | 242,800 | 96,400 | 20,000 | 8,000 |
| 2003 | 332,000 | 28,000 | 360,000 | 242,000 | 90,000 | 20,000 | 8,000 |
| Turkey | | | | | | | |
| 2001 | 1,650,000 | 120 | 1,650,120 | 1,490,826 | 79,294 | 80,000 | 0 |
| 2002 | 1,750,000 | 100 | 1,750,100 | 1,585,100 | 80,000 | 85,000 | 0 |
| 2003 | 1,700,000 | 100 | 1,700,100 | 1,535,100 | 80,000 | 85,000 | 0 |
| United States | | | | | | | |
| 2001 | 784,184 | 408,937 | 1,193,121 | 894,455 | 298,666 | 0 | 0 |
| 2002 | 850,446 | 518,267 | 1,368,713 | 1,061,329 | 307,384 | 0 | 0 |
| 2003 | 810,000 | 500,000 | 1,310,000 | 1,000,000 | 310,000 | 0 | 0 |

March 2003

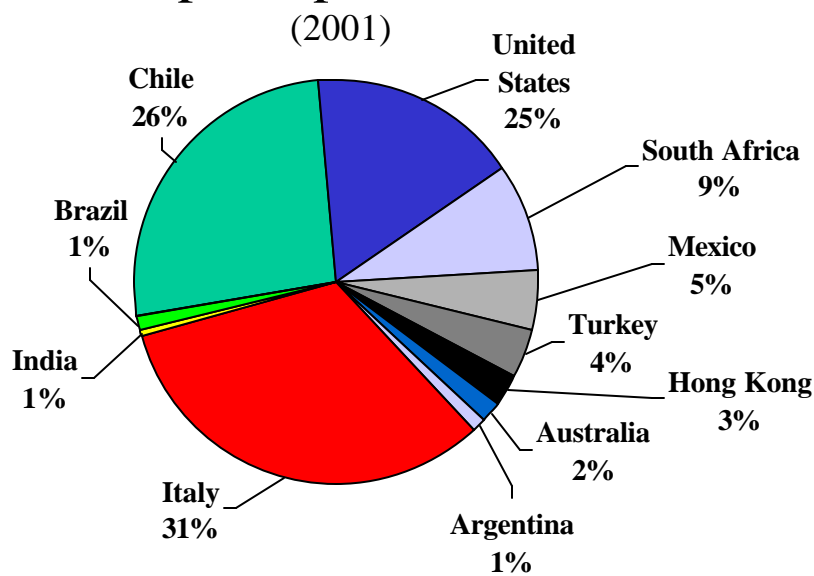
World Horticultural Trade & U.S. Export Opportunities

Sources: This information was prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of Agricultural Attachés and Counselors, results of office research, FAS/USDA estimates, and related information. U.S. production numbers are generally from the National Agricultural Statistics Service (NASS). U.S. trade numbers are generally from the U.S. Department of Commerce, Bureau of Census.

For a complete selection on FAS worldwide reporting visit <http://www.fas.usda.gov>. Regular Fresh Deciduous Fruit reports containing information on grapes are published on Chile, Greece, Italy, South Africa, Spain, Mexico, Japan, Turkey, and China.

Periodic worldwide voluntary reports are also available. Also, please visit our trade database on line at <http://www.fas.usda.gov/ustrade>. Check out the grape webpage at <http://www.fas.usda.gov/http/horticulture/grapes.html>. For information on production and trade, contact Heather Velthuis at 202-720-9792. For information on marketing contact Yvette Wedderburn Bomersheim at 202-720-0911.

Table Grape Export Market Share



Source: Global Trade Atlas – Percentages vary slightly due to rounding.